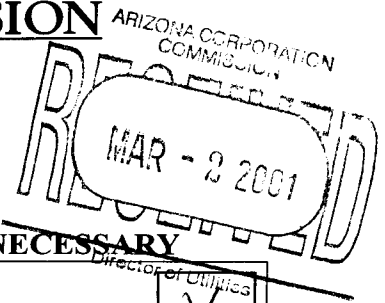


3-2-01
Cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02372A WATER
VERDE LAKES WATER CORPORATION
2867 S. VERDE LAKES DRIVE STE. B
CAMP VERDE AZ 86322-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
-----------	-----------	-------------

FOR COMMISSION USE

APR 04	00
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COMPANY INFORMATION

Company Name (Business Name) VERDE LAKES WATER CORPORATION

Mailing Address 2867 SOUTH VERDE LAKES DRIVE SUITE B

CAMP VERDE

(Street)

AZ

86322

(City)

(State)

(Zip)

520 567 4338

Telephone No. (Include Area Code)

520 567 7049

Fax No. (Include Area Code)

520 204 8014

Pager/Cell No. (Include Area Code)

Email Address NA

Local Office Mailing Address 2867 SOUTH VERDE LAKES DRIVE SUITE B

CAMP VERDE

(Street)

AZ

86322

(City)

(State)

(Zip)

520 567 4338

Local Office Telephone No. (Include Area Code)

520 567 7049

Fax No. (Include Area Code)

520 204 8014

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: NA

(Name)

(Title)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: GARRETT L. KLEINE

(Name)

P O BOX 1018

(Street)

RIMROCK

(City)

AZ

(State)

86335

(Zip)

520 567 4338

Telephone No. (Include Area Code)

520 567 7049

Fax No. (Include Area Code)

520 204 8014

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: DONNA M. WILLIAMSON
(Name)

2857 ASPEN WAY CAMP VERDE AZ 86322
(Street) (City) (State) (Zip)

520 567 6101 NA NA
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: NA
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

VERDE LAKES WATER CORPORATION

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	NA	NA	NA
302	Franchises	NA	NA	NA
303	Land and Land Rights	18,970.00	NA	18,970.00
304	Structures and Improvements	21,925.43	8,663.24	13,262.19
307	Wells and Springs	18,422.63	17,511.00	911.63
311	Pumping Equipment	45,336.80	23,323.50	22,013.30
320	Water Treatment Equipment	989.35	218.00	771.35
330	Distribution Reservoirs and Standpipes	105,874.68	74,513.00	31,361.68
331	Transmission and Distribution Mains	325,827.50	295,879.00	29,948.50
333	Services	30,463.16	22,854.00	7,609.16
334	Meters and Meter Installations	55,199.61	29,636.40	25,563.21
335	Hydrants	NA	NA	NA
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	6,173.34	2,928.24	3,245.10
341	Transportation Equipment	9,746.38	2,425.00	7,321.38
343	Tools, Shop and Garage Equipment	NA	NA	NA
344	Laboratory Equipment	NA	NA	NA
345	Power Operated Equipment	24,243.63	8,341.00	15,902.63
346	Communication Equipment	NA	NA	NA
347	Miscellaneous Equipment	1,989.32	198.00	1,791.32
348	Other Tangible Plant	89,700.45	NA	89,700.45
	WIP FUTURE USE	9,350.00	NA	9,350.00
	TOTALS	764,212.28	486,490.38	277,721.90

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

VERDE LAKES WATER CORPORATION

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	NA	NA	NA
302	Franchises	NA	NA	NA
303	Land and Land Rights	18,970.00	NA	NA
304	Structures and Improvements	21,925.43	5	1,096.00
307	Wells and Springs	18,422.63	5	921.00
311	Pumping Equipment	45,336.80	5.01	2,268.00
320	Water Treatment Equipment	989.35	4.96	49.00
330	Distribution Reservoirs and Standpipes	105,874.68	5.	5,294.00
331	Transmission and Distribution Mains	325,827.50	5.	16,291.00
333	Services	30,463.16	5.	1,523.00
334	Meters and Meter Installations	55,199.61	5.	2,758.00
335	Hydrants	NA	NA	NA
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	6,173.34	5.01	309.00
341	Transportation Equipment	9,746.38	5.	487.00
343	Tools, Shop and Garage Equipment	NA	NA	NA
344	Laboratory Equipment	NA	NA	NA
345	Power Operated Equipment	24,243.63	5.	1,212.00
346	Communication Equipment	NA	NA	NA
347	Miscellaneous Equipment	1,989.32	4.98	99.00
348	Other Tangible Plant	WIP 89,700.45	NA	NA
		FUTURE USE 9,350.00	NA	NA
	TOTALS	764,212.28		32,307.00

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 69.	\$ 79.66
134	Working Funds	1,910.	9,638.01
135	Temporary Cash Investments	16,628.	51,002.40
141	Customer Accounts Receivable	6,675.	6,680.26
146	Notes/Receivables from Associated Companies	NA	NA
151	Plant Material and Supplies	10,144.	10,841.98
162	Prepayments	2,324.	3,174.24
174	Miscellaneous Current and Accrued Assets	350.	350.00
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 38,100.	\$ 81,766.55
	FIXED ASSETS		
101	Utility Plant in Service	\$ 662,904.	\$ 665,161.83
103	Property Held for Future Use	9,350.	9,350.00
105	Construction Work in Progress	89,700.	89,700.45
108	Accumulated Depreciation – Utility Plant	(454,183.)	(486,490.38)
121	Non-Utility Property	NA	NA
122	Accumulated Depreciation – Non Utility	NA	NA
	TOTAL FIXED ASSETS	\$ 307,771.	\$ 277,721.90
	TOTAL ASSETS	\$ 345,871.	\$ 359,488.45

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 117.	\$ 67.37
232	Notes Payable (Current Portion)	9,800.	NA
234	Notes/Accounts Payable to Associated Companies	NA	NA
235	Customer Deposits	8,761.00	8,023.93
236	Accrued Taxes	2,885.	2,385.26
237	Accrued Interest	NA	NA
241	Miscellaneous Current and Accrued Liabilities	NA	NA
	TOTAL CURRENT LIABILITIES	\$ 21,563.	\$ 10,476.56
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ NA	\$ NA
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ NA	\$ NA
252	Advances in Aid of Construction	45,441.	46,011.31
255	Accumulated Deferred Investment Tax Credits	NA	NA
271	Contributions in Aid of Construction	801.	800.65
272	Less: Amortization of Contributions	NA	120.00
281	Accumulated Deferred Income Tax	NA	NA
	TOTAL DEFERRED CREDITS	\$ 46,242.	\$ 46,691.96
	TOTAL LIABILITIES	\$ 67,805.	\$ 57,168.52
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ NA	\$ NA
211	Paid in Capital in Excess of Par Value	NA	NA
215	Retained Earnings	278,066.	302,319.93
218	Proprietary Capital (Sole Props and Partnerships)	NA	NA
	TOTAL CAPITAL	\$ 278,066.	\$ 302,319.93
	TOTAL LIABILITIES AND CAPITAL	\$ 345,871.	\$ 359,488.45

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 177,802.	\$ 191,695.17
460	Unmetered Water Revenue	NA	NA
474	Other Water Revenues	7,312.	6,835.40
	TOTAL REVENUES	\$ 185,114.	\$ 198,530.57
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 75,145.	\$ 71,710.97
610	Purchased Water	NA	NA
615	Purchased Power	15,083.	17,980.25
618	Chemicals	105.	82.60
620	Repairs and Maintenance	12,221.	11,034.02
621	Office Supplies and Expense	7,528.	7,615.57
630	Outside Services	2,554.	NA
635	Water Testing	5,616.	3,088.98
641	Rents	4,200.	4,200.00
650	Transportation Expenses	5,798.	6,033.01
657	Insurance – General Liability	2,767.	2,782.00
659	Insurance - Health and Life	NA	NA
666	Regulatory Commission Expense – Rate Case	NA	NA
675	Miscellaneous Expense	941.	2,006.04
403	Depreciation Expense	32,182.	32,307.00
408	Taxes Other Than Income	7,749.	7,472.48
408.11	Property Taxes	9,155.	8,559.89
409	Income Tax	NA	NA
	TOTAL OPERATING EXPENSES	\$ 181,044	\$ 174,872.81
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 1,393.	\$ 1,374.71
421	Non-Utility Income	NA	NA
426	Miscellaneous Non-Utility Expenses	NA	NA
427	Interest Expense	3,178.	779.19
	TOTAL OTHER INCOME/EXP	\$ 1,785.	\$ (595.52)
	NET INCOME/(LOSS)	\$ 2,285.	\$ 24,253.28

COMPANY NAME VERDE LAKES WATER CORPORATION

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amount Issued	\$NA	\$NA	\$NA	\$NA
Amount Outstanding	\$NA	\$NA	\$ NA	\$ NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	\$NA	\$NA	\$ NA	\$ NA
Current Year Principle	\$NA	\$NA	\$ NA	\$ NA

Meter Deposit Balance at Test Year End

\$ 30,951.15

Meter Deposits Refunded During the Test Year

\$ 4,862.19

COMPANY NAME VERDE LAKES WATER CORPORATION

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-801447	5	60	10	(
55-524343	5	60	10	(3
55-801449	5	60	6	(
55-524344	10	90	10	(4
55-559150	10	NA	8	NOT IN SERVICE

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NA		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 80,738

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7½	7	NA	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
49,000	2	5,000	3
125,000	1		
10,000	1		
65,000	2		

STATISTICAL INFORMATION

Total number of customers	726	
Total number of gallons sold	56,071,809	gallons

COMPANY NAME VERDE LAKES WATER CORPORATION YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 9,409.88

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

YEAR ENDING 12/31/2000

For this reporting period, provide the following:

Total Grossed-Up Contributions/Advances	NA
---	----

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

22-01
DATE

PRESIDENT, BOARD OF DIRECTORS
TITLE

COMPANY NAME VERDE LAKES WATER CORPORATION **YEAR ENDING 12/31/2000**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

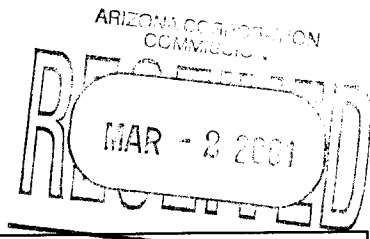
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 9,409.88

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE PRESIDENT, BOARD OF DIRECTORS
COMPANY NAME VERDE LAKES WATER CORPORATION

Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 212,859.

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 14,328.
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

520 567 4338

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

22nd

DAY OF

COUNTY NAME	<u>YAVAPAI</u>	
MONTH	<u>February</u>	<u>2001</u>

SIGNATURE OF NOTARY PUBLIC

(SEAL)

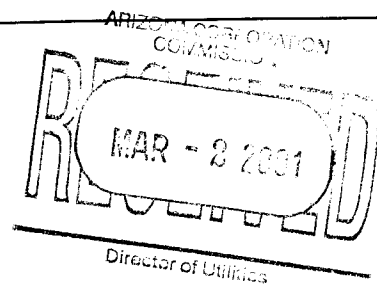
MY COMMISSION EXPIRES



OFFICIAL SEAL
DONNA M. WILLIAMSON
Notary Public - State of Arizona
YAVAPAI COUNTY

My Comm. Expires June 18, 2004

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) YAVAPAI	
NAME (OWNER OR OFFICIAL) GREG ELMER	TITLE PRESIDENT
COMPANY NAME VERDE LAKES WATER CORPORATION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 210,843,78

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 14,189.66
IN SALES TAXES BILLED, OR COLLECTED**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

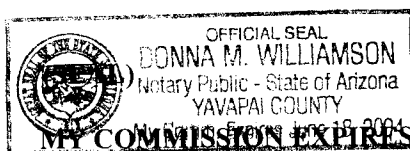
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

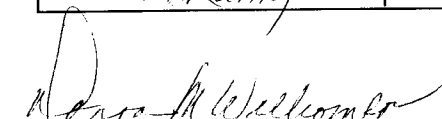
THIS

22nd

DAY OF

NOTARY PUBLIC NAME Donna M Williamson	
COUNTY NAME YAVAPAI	
MONTH FEBRUARY	2001



X 
SIGNATURE OF NOTARY PUBLIC

VERDE LAKES WATER COROPORATION2867 S. VERDE LAKES DR. 520-567-4338
CAMP VERDE, AZ 86322

6502

DATE APRIL 25 2000

91-285
1221PAY
TO THE
ORDER OF ROSS JACOBS, COUNTY TREASURER

\$4,648.52

FOUR THOUSAND SIX HUNDRED FORTY EIGHT AND 52/100

DOLLARS  Security features
included
Details on back.**BANK ONE.**Bank One, Arizona, NA
Camp Verde Office (085)
Camp Verde, Arizona

FOR 125683,125684

⑈006502⑈ ⑆122100024⑆

2138⑈3434⑈

⑈0000464852⑈

VERDE LAKES WATER COROPORATION2867 S. VERDE LAKES DR. 520-567-4338
CAMP VERDE, AZ 86322

6712

DATE OCTOBER 17 2000

91-285
1221PAY
TO THE
ORDER OF ROSS JACOBS, YAVAPAI CTY TREAS

\$4,761.36

FOUR THOUSAND SEVEN HUNDRED SIXTY-ONE AND 36/100

DOLLARS  Security features
included
Details on back.**BANK ONE.**Bank One, Arizona, NA
Camp Verde Office (085)
Camp Verde, Arizona

FOR

⑈006712⑈ ⑆122100024⑆

2138⑈3434⑈

⑈0000476136⑈

ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTIONS

05052000 YAVAPAI CREDIT TO PAYEE'S ACCT
51597 0001 ENDORSEMENT GUARANTEED
20658264 BANK ONE, PHOENIX, AZ
1221-00024

154877738

ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTIONS

10202000 YAVAPAI CREDIT TO PAYEE'S ACCT
51758 0033 ENDORSEMENT GUARANTEED
20658264 BANK ONE, PHOENIX, AZ
1221-00024

151760217

For deposit only
No cash withdrawal
Security Features
Front and Back
Chemical Security
Elevated Denomination
Color Shifting
Microprint
Hologram
FEDERAL RESERVE NOTE
* FEDERAL RESERVE NOTE OF GOVERNMENT REG. CC